

Senate File 2378

H-8306

1 Amend Senate File 2378, as amended, passed, and reprinted by
2 the Senate, as follows:

3 1. By striking everything after the enacting clause and
4 inserting:

5 <Section 1. Section 455C.1, subsections 1 and 6, Code 2022,
6 are amended to read as follows:

7 1. "*Beverage*" means wine as defined in section 123.3,
8 subsection 54, alcoholic liquor as defined in section 123.3,
9 subsection 5, beer as defined in section 123.3, subsection
10 7, high alcoholic content beer as defined in section 123.3,
11 subsection 22, canned cocktail as defined in section 123.3,
12 subsection 11, mineral water, soda water, and similar
13 carbonated soft drinks in liquid form and intended for human
14 consumption.

15 6. "*Dealer agent*" means a person who solicits or picks up
16 empty beverage containers ~~from a dealer~~ for the purpose of
17 returning the empty beverage containers to a distributor or
18 manufacturer.

19 Sec. 2. Section 455C.1, Code 2022, is amended by adding the
20 following new subsections:

21 NEW SUBSECTION. 11A. "*Mobile redemption system*" means
22 a location at which a consumer may return empty beverage
23 containers on which a refund value has been paid that uses
24 innovative technology to process empty beverage containers and
25 return the amount of the refund value to consumers.

26 NEW SUBSECTION. 12A. "*Participating dealer*" means a dealer
27 who accepts the return of empty beverage containers from a
28 consumer.

29 Sec. 3. Section 455C.2, Code 2022, is amended to read as
30 follows:

31 **455C.2 Refund values.**

32 1. A refund value of ~~not less than~~ five cents shall be paid
33 by the consumer on each beverage container sold in this state
34 by a dealer for consumption off the premises. Upon return of
35 the empty beverage container upon which a refund value has

1 been paid to the participating dealer or person operating
2 a redemption center and acceptance of the empty beverage
3 container by the participating dealer or person operating a
4 redemption center, the participating dealer or person operating
5 a redemption center shall immediately return the amount of
6 the refund value to the consumer. Upon return of the empty
7 beverage container on which a refund value has been paid to a
8 mobile redemption system, the mobile redemption system shall
9 return the amount of the refund value to the consumer within a
10 reasonable time not to exceed ten days.

11 2. In addition to the refund value provided in subsection
12 1 of ~~this section~~, a participating dealer, dealer agent, or
13 person operating a redemption center or mobile redemption
14 system who redeems empty beverage containers ~~or a dealer agent~~
15 shall be reimbursed by the distributor required to accept the
16 empty beverage containers ~~an amount which a~~ handling fee that
17 is one cent per container, except as provided in subsection 3.
18 A participating dealer, dealer agent, or person operating a
19 redemption center or mobile redemption system may compact empty
20 metal beverage containers with the approval of the distributor
21 required to accept the containers.

22 3. a. Upon delivery of beverages from a distributor to
23 a dealer, the dealer shall pay a handling fee of one-half
24 cent per container to the distributor unless the dealer is a
25 participating dealer or unless the dealer refuses to accept
26 empty beverage containers due to the dealer satisfying the
27 requirements set forth in section 455C.4, subsection 2,
28 paragraph "a", subparagraph (3). This paragraph is repealed
29 July 1, 2028.

30 b. A distributor shall pay an additional one-cent handling
31 fee for each nonalcoholic beverage container accepted.

32 c. A distributor shall pay an additional one-cent handling
33 fee for each beverage container accepted that contained beer,
34 including high-alcoholic content beer. A distributor who pays
35 an additional handling fee pursuant to this paragraph may claim

1 a refund of the barrel tax established in section 123.136 paid
2 by the distributor in the amount of one-half cent for each
3 applicable beverage container accepted. The department of
4 revenue shall prescribe forms for a distributor to use to claim
5 a refund under this paragraph.

6 Sec. 4. Section 455C.3, subsections 1, 2, and 4, Code 2022,
7 are amended to read as follows:

8 1. A participating dealer shall not refuse to accept from a
9 consumer any empty beverage container of the kind, size, and
10 brand sold by the participating dealer, or refuse to pay to the
11 consumer the refund value of a beverage container as provided
12 under [section 455C.2](#).

13 2. A distributor shall accept and pick up from a
14 participating dealer served by the distributor or a redemption
15 center or mobile redemption system for a dealer served by
16 the distributor at least weekly, or when the distributor
17 delivers the beverage product if deliveries are less frequent
18 than weekly, any empty beverage container of the kind, size,
19 and brand sold by the distributor, and shall pay to the
20 participating dealer or person operating a redemption center
21 or mobile redemption system the refund value of a beverage
22 container and the reimbursement as provided under section
23 455C.2 within one week following pickup of the containers or
24 when the participating dealer ~~or redemption center~~ normally
25 pays the distributor for the deposit on beverage products
26 purchased from the distributor if less frequent than weekly.
27 A distributor or employee or agent of a distributor is not in
28 violation of [this subsection](#) if a redemption center or mobile
29 redemption system is closed when the distributor attempts to
30 ~~make a regular delivery or a regular pickup of empty beverage~~
31 ~~containers.~~ [This subsection](#) does not apply to a distributor
32 selling alcoholic liquor to the alcoholic beverages division
33 of the department of commerce.

34 4. A distributor shall accept from a dealer agent any
35 empty beverage container of the kind, size, and brand sold by

1 the distributor and ~~which~~ that was picked up by the dealer
2 agent ~~from a dealer~~ within the geographic territory served
3 by the distributor and the distributor shall pay the dealer
4 agent the refund value of the empty beverage container and the
5 reimbursement as provided in [section 455C.2](#).

6 Sec. 5. Section 455C.4, Code 2022, is amended to read as
7 follows:

8 **455C.4 Refusal to accept containers.**

9 1. Except as provided in [section 455C.5, subsection 3](#),
10 a dealer, a person operating a redemption center or mobile
11 redemption system, a distributor, or a manufacturer may refuse
12 to accept any empty beverage container ~~which~~ that does not have
13 stated on it a refund value as provided under [section 455C.2](#).

14 2. a. A dealer may refuse to accept and to pay the
15 refund value of any empty beverage container if ~~the place of~~
16 ~~business of the dealer and the kind and brand of empty beverage~~
17 ~~containers are included in an order of the department approving~~
18 ~~a redemption center under~~ [section 455C.6](#) any of the following
19 apply:

20 (1) The dealer sells beverage containers only in single
21 units at or in close proximity to the dealer's point of sale.

22 (2) The dealer holds a food establishment license under
23 chapter 137F to prepare or serve food, has a certified food
24 protection manager as required by the 2017 United States food
25 and drug administration food code and supplement, and sells
26 time/temperature control for safety food as defined in section
27 137F.2.

28 (3) The dealer has entered an agreement with a mobile
29 redemption system and all of the following apply:

30 (a) The dealer provides adequate space, utilities, and
31 internet connection to operate the mobile redemption system.

32 (b) The agreement does not require additional payment to the
33 dealer or the mobile redemption system.

34 (4) The dealer's place of business is in a county with a
35 population of more than thirty thousand and within ten miles

1 of a redemption center or mobile redemption system or if the
2 dealer's place of business is in a county with a population
3 of thirty thousand or fewer and within fifteen miles of a
4 redemption center or mobile redemption system.

5 b. A dealer who refuses to accept and to pay the refund
6 value on any empty beverage container pursuant to this
7 subsection shall conspicuously display on the front door of
8 the dealer's place of business a notice that the dealer does
9 not accept empty beverage containers. The notice shall also
10 provide the location of the nearest redemption center or mobile
11 redemption system to the dealer's place of business. After the
12 department has made available an electronic method for locating
13 redemption centers and mobile redemption systems pursuant to
14 paragraph "c", a dealer may direct consumers to such electronic
15 method instead of providing the location of the nearest
16 redemption center or mobile redemption system on the notice.

17 c. By December 31, 2022, the department shall make available
18 to the public an electronic method of locating redemption
19 centers and mobile redemption systems.

20 d. A dealer who provides space for a mobile redemption
21 system pursuant to paragraph "a", subparagraph (3), shall not be
22 considered to be in violation of any county or city ordinance
23 that would otherwise limit the ability of the dealer to provide
24 such space.

25 ~~3. A dealer or a distributor may refuse to accept and to pay~~
26 ~~the refund value of an empty wine or alcoholic liquor container~~
27 ~~which is marked to indicate that it was sold by a state liquor~~
28 ~~store. The alcoholic beverages division shall not reimburse~~
29 ~~a dealer or a distributor the refund value on an empty wine or~~
30 ~~alcoholic liquor container which is marked to indicate that the~~
31 ~~container was sold by a state liquor store.~~

32 4. 3. A class "E" liquor control licensee may refuse to
33 accept and to pay the refund value on an empty alcoholic liquor
34 container from a participating dealer, or a redemption center,
35 or a mobile redemption system or from a person acting on behalf

1 of or who has received empty alcoholic liquor containers from
2 a participating dealer, or a redemption center, or a mobile
3 redemption system.

4 ~~5.~~ 4. A manufacturer or distributor may refuse to accept
5 and to pay the refund value and reimbursement as provided in
6 section 455C.2 on any empty beverage container that was picked
7 up by a dealer agent ~~from a dealer~~ outside the geographic
8 territory served by the manufacturer or distributor.

9 Sec. 6. Section 455C.5, subsection 1, Code 2022, is amended
10 to read as follows:

11 1. Each beverage container sold or offered for sale in
12 this state by a dealer shall clearly indicate the refund value
13 of the container by embossing or by a stamp, label, or other
14 method securely affixed to the container, ~~the refund value of~~
15 ~~the container.~~ The department shall specify, by rule, the
16 minimum size of the refund value indication on the beverage
17 containers and require registration of the universal product
18 code for each beverage container using a method determined by
19 the department.

20 Sec. 7. Section 455C.6, subsections 1, 2, and 5, Code 2022,
21 are amended to read as follows:

22 1. To facilitate the return of empty beverage containers
23 and to serve dealers of beverages, any person may establish a
24 redemption center, ~~subject to the approval of the department,~~
25 or mobile redemption system at which consumers may return empty
26 beverage containers and receive payment of the refund value of
27 such beverage containers. A participating dealer may act as a
28 redemption center for purposes of this chapter.

29 2. ~~An application for approval of a~~ A person operating
30 a redemption center or a mobile redemption system shall file
31 written notice of the operation of the redemption center shall
32 ~~be filed~~ or mobile redemption system with the department. The
33 ~~application~~ notice shall state the name and address of the
34 person responsible for the establishment and operation of the
35 redemption center, ~~the kind and brand names of the beverage~~

1 ~~containers which will be accepted at the redemption center,~~
2 or mobile redemption system and the names and addresses of
3 the dealers to be served by the redemption center or mobile
4 redemption system. The ~~application~~ notice shall contain such
5 other information as the director may reasonably require.

6 5. All ~~approved~~ redemption centers and mobile redemption
7 systems shall meet applicable health standards.

8 Sec. 8. Section 455C.6, subsections 3 and 4, Code 2022, are
9 amended by striking the subsections.

10 Sec. 9. Section 455C.12, subsections 2 and 3, Code 2022, are
11 amended to read as follows:

12 2. A distributor who collects or attempts to collect
13 a refund value on an empty beverage container when the
14 distributor has paid the refund value on the container to a
15 participating dealer, redemption center, mobile redemption
16 system, or consumer is guilty of a fraudulent practice.

17 3. Any person who does any of the following acts is guilty
18 of a fraudulent practice:

19 a. Collects or attempts to collect the refund value on the
20 container a second time, with the knowledge that the refund
21 value has once been paid by the distributor to a participating
22 dealer, redemption center, mobile redemption system, or
23 consumer.

24 b. Manufactures, sells, possesses, or applies a false or
25 counterfeit label or indication ~~which~~ that shows or purports to
26 show a refund value for a beverage container, with intent to
27 use the false or counterfeit label or indication.

28 c. Collects or attempts to collect a refund value on
29 a container with the use of a false or counterfeit label
30 or indication showing a refund value, knowing the label or
31 indication to be false or counterfeit.

32 Sec. 10. Section 455C.12, Code 2022, is amended by adding
33 the following new subsection:

34 NEW SUBSECTION. 6. A person who violates any provision of
35 this chapter, or any rule, permit, or order adopted or issued

1 under this chapter, shall be subject to a civil penalty not
2 to exceed two thousand five hundred dollars for each day of
3 the violation. However, a person who knowingly attempts to
4 redeem a beverage container that is not properly marked as
5 required by section 455C.5, subsection 1, shall be subject
6 to a civil penalty not to exceed ten dollars per improperly
7 marked beverage container, but not to exceed five thousand
8 dollars total per attempted transaction. The department shall
9 adopt rules establishing a schedule of civil penalties based
10 on the severity of the violation. Any civil penalty collected
11 under this chapter shall be deposited in the bottle bill fund
12 established in section 455C.12C.

13 Sec. 11. NEW SECTION. **455C.12A Administrative enforcement**
14 **— compliance orders.**

15 1. The director may issue any order necessary to secure
16 compliance with or prevent a violation of the provisions of
17 this chapter or any rule adopted or permit or order issued
18 pursuant to this chapter. Any order issued pursuant to this
19 section may impose a civil penalty authorized pursuant to
20 section 455C.12, subsection 6, for a violation of the order,
21 to be collected administratively by the department. The
22 person to whom the compliance order is issued may cause to be
23 commenced a contested case within the meaning of chapter 17A by
24 filing within thirty days a notice of appeal to the director.
25 Following a contested case hearing and a proposed decision
26 issued by the department, the commission may affirm, modify, or
27 vacate the proposed decision.

28 2. If a person continues an alleged violation during the
29 appeals process and the commission affirms that the person has
30 committed a violation, the department may assess penalties for
31 each day the violation continued through the appeals process.

32 Sec. 12. NEW SECTION. **455C.12B Civil actions for compliance**
33 **— penalties.**

34 1. The attorney general shall institute any legal
35 proceedings necessary to obtain compliance with the provisions

1 of this chapter, including any rule, permit, or compliance
2 order issued pursuant to this chapter, relating to the
3 redemption of beverage containers, including provisions
4 relating to the redemption of nonrefillable metal beverage
5 containers, and the duties and obligations of redemption
6 centers and mobile redemption systems.

7 2. Notwithstanding section 455C.12, subsection 6, any
8 person who violates a provision of this chapter, including
9 a rule, permit, or compliance order issued pursuant to
10 this chapter, relating to the redemption of beverage
11 containers, including provisions relating to the redemption
12 of nonrefillable metal beverage containers, or the duties
13 and obligations of redemption centers or mobile redemption
14 systems, as determined pursuant to a legal proceeding under
15 this section, shall be subject to a civil penalty not to
16 exceed ten thousand dollars for each day of such violation.
17 Moneys collected from civil penalties under this section shall
18 be deposited in the bottle bill fund established in section
19 455C.12C.

20 Sec. 13. NEW SECTION. **455C.12C Bottle bill fund.**

21 A bottle bill fund is established in the state treasury
22 under the control of the department. The fund shall consist
23 of moneys deposited in the fund pursuant to section 455C.12,
24 subsection 6, or section 455C.12B, subsection 2, and any other
25 moneys appropriated to or deposited in the fund. Moneys in
26 the fund are appropriated to the department for purposes of
27 administering and enforcing this chapter, including reimbursing
28 the attorney general for costs incurred by the attorney general
29 in enforcing this chapter. Notwithstanding section 8.33,
30 moneys in the fund that remain unencumbered or unobligated
31 at the close of a fiscal year shall not revert but shall
32 remain available for expenditure for the purposes designated.
33 Notwithstanding section 12C.7, subsection 2, interest or
34 earnings on moneys in the fund shall be credited to the fund.

35 Sec. 14. Section 455C.13, Code 2022, is amended to read as

1 follows:

2 **455C.13 Distributors' agreements authorized.**

3 1. A distributor, dealer, or person operating a redemption
4 center or mobile redemption system may enter into a contract or
5 agreement with any other distributor, manufacturer, or person
6 for the purpose of collecting or paying the refund value on, or
7 disposing of, beverage containers as provided in this chapter.
8 2. For purposes of this chapter, any contracts entered into
9 pursuant to this section for the collection or disposal of
10 empty beverage containers shall not be deemed to interfere with
11 the refund value pursuant to section 455C.2.

12 Sec. 15. Section 455C.14, subsection 1, Code 2022, is
13 amended to read as follows:

14 1. If the refund value indication required under section
15 455C.5 on an empty nonrefillable metal beverage container
16 is readable but the redemption of the container is lawfully
17 refused by a dealer or person operating a redemption center
18 or mobile redemption system under other sections of this
19 chapter or rules adopted pursuant to these sections, the
20 container shall be accepted and the refund value paid to a
21 consumer as provided in [this section](#). Each beer distributor
22 selling nonrefillable metal beverage containers in this
23 state shall provide individually or collectively by contract
24 or agreement with a dealer, person operating a redemption
25 center or mobile redemption system, or another person, at
26 least one facility in the county seat of each county where
27 refused empty nonrefillable metal beverage containers having a
28 readable refund value indication as required by [this chapter](#)
29 are accepted and redeemed. In cities having a population of
30 twenty-five thousand or more, the number of the facilities
31 provided shall be one for each twenty-five thousand population
32 or a fractional part of that population. Such facility may be
33 a mobile redemption system.

34 Sec. 16. Section 455C.16, Code 2022, is amended to read as
35 follows:

1 **455C.16 Beverage containers — disposal at sanitary landfill**
2 **prohibited.**

3 ~~Beginning July 1, 1990, the~~ The final disposal of beverage
4 containers ~~by a dealer, distributor, or manufacturer, or~~
5 ~~person operating a redemption center, in a sanitary landfill,~~
6 ~~is prohibited. Beginning September 1, 1992, including the~~
7 final disposal of beverage containers that used to contain
8 alcoholic liquor as defined in section 123.3, subsection 5, by
9 a participating dealer, distributor, ~~or~~ manufacturer, or person
10 operating a redemption center or mobile redemption system in a
11 sanitary landfill, is prohibited.

12 Sec. 17. LEGISLATIVE FISCAL COMMITTEE REVIEW.

13 1. The legislative fiscal committee established in section
14 2.45 shall hold a meeting during the legislative interim
15 immediately preceding the 2026 regular legislative session.
16 During the meeting, the committee shall review the enforcement
17 of chapter 455C by the department of natural resources,
18 including the collection of civil penalties, the report
19 submitted by the attorney general pursuant to subsection 2,
20 whether and how many redemption centers, participating dealers,
21 and mobile redemption systems have filed a written notice of
22 operation with the department, an estimate of the redemption
23 rate based on the barrel tax refunded to distributors pursuant
24 to section 455C.2, subsection 3, paragraph "a", and the
25 adequacy of the reimbursement amount under section 455C.2,
26 subsections 2 and 3. The committee shall submit a report of
27 its findings and recommendations to the general assembly no
28 later than January 31, 2026.

29 2. The attorney general shall submit a report to the
30 general assembly prior to the legislative fiscal committee's
31 meeting under subsection 1. The report shall detail any legal
32 proceedings arising under chapter 455C since the effective date
33 of section 455C.12B, as enacted in this Act.

34 Sec. 18. REPEAL. Sections 455C.7 and 455C.10, Code 2022,
35 are repealed.

1 Sec. 19. EFFECTIVE DATE. The section of this Act enacting
2 section 455C.12B takes effect July 1, 2023.>

3 2. Title page, by striking lines 1 through 4 and inserting
4 <An Act relating to beverage containers control provisions,
5 including handling fees, refund value, applicability to certain
6 beverages, and acceptance of beverage containers, providing
7 penalties, and including effective date provisions.>

LOHSE of Polk